WEEKLY ECONOMIC REVIEW

November 9, 2007

Alberta's housing market is cooling down. Annualized housing starts in October fell by 19.9% from the record high posted last month, bringing the growth to 2.2% so far this year. This is well below the 20.4% growth recorded in 2006. The continued strength in multiple starts (+27.2%) offset the decline in single-detached activity (-14.9%). Meanwhile, new housing prices rose 14.1% year-over-year in September, marking the 13th straight month of slower annual increases from a peak in 2006.

In the first ten months of this year, multiple starts in the Edmonton area rose 38.6% while singe starts fell by 12.2%. In the Calgary area, multiple dwellings also climbed 7.9% which countered the 25.4% decline in single-detached.

At the national level, housing starts rose by an average of 0.4% in 2007 compared to last year's 2.0% growth, with multiple starts also fuelling the increase. New housing prices in Canada settled at a modest 6.2% growth compared to the 9.7% gain last year.

Although year-to-date construction activity remained strong, the value of building permits in September slipped 5.9% and 1.7% from last month in Alberta and Canada, respectively. The figures were pulled down by the weakness in non-residential activity.

Both the loonie and U.S. dollar broke records this week, albeit in opposite directions. Prior to retreating in the past couple of days, the loonie ascended to a high of 109.05 cents US on Wednesday on the back of soaring oil prices, which reached an historic high of US$96.70/bbl. On the other hand, the U.S. dollar dipped to a modern-day low against most currencies on Thursday, responding to Federal Reserve Chairman Ben Bernanke comments that the economic growth is expected to slow noticeably in the months ahead as the slump in the housing market continues to deepen.

Cdn Dollar (US¢/CS)

November 9, 2007	106.5
November 2, 2007	106.9
2007-08 YTD	95.4

WTI Oil US$/bbl

November 8, 2007	$ 95.46
November 1, 2007	$ 93.49
2007-08 YTD	$ 73.37

Nymex Natural Gas CS/MMBtu*
November Contract

November 9, 2007	$ 7.28
November 2, 2007	$ 8.13

*Estimate based on Nymex Futures Market Price

As expected, the trend in the currencies of both countries has taken its effect on trade. Canada's exports fell 2.3% in September, bringing the trade surplus to a nine-year low of $2.6 billion. The lower U.S. dollar helped bring solid gains in U.S. exports, which narrowed the trade deficit to $56.5 billion in September, the lowest since May 2005.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Housing Starts (000s)[2]	**October**			
Alberta	45.9	-19.9%	15.9%	2.2%
Canada	219.5	-22.0%	-2.4%	0.4%
New House Price Index (1997=100)	**September**			
Alberta	254.7	0.4%	14.1%	26.4%
Canada	155.5	0.3%	6.2%	8.3%
Building Permits ($ Millions)	**September**			
Alberta	1,225	-5.9%	-1.8%	19.5%
Canada	6,203	-1.7%	10.0%	15.2%

Source: Canadian Mortgage Housing Corporation and Statistics Canada [1]Year-to-date 2007 compared to the same period in 2006.[2] Seasonally adjusted at annual rates